GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4118
ANSWERED ON:09.12.2016
Corporate Loans
Chinnaraj Shri Gopalakrishnan

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposal to institute a transparent mechanism to check tide of bad loans availed by corporate companies;

(b) if so, the details thereof;

(c) whether the Government proposes to put the list of corporate companies who have availed loans at notice board/website of the banks; and

(d) if so, the details thereof and if not, the reasons therefor and the steps taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance

(a) & (b): The Government has taken sector specific measures (Infrastructure, Power, Road, Textiles, Steel etc.) where incidence of NPA is high. The Insolvency and Bankruptcy Code (IBC) has been enacted and Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) and the Recovery of Debts due to Banks and Financial Institutions (RDDBFI) Act have been amended to improve resolution / recovery of bank loans. Six new Debt Recovery Tribunals (DRTs) have been established for improving recovery. RBI has provided a number of tools in this regard − Corporate Debt Restructuring (CDR), Formation of Joint Lenders' Forum (JLF), Flexible Structuring for long term project loans to Infrastructure and Core Industries (5/25 Scheme), Strategic Debt Restructuring Scheme (SDR) and Sustainable Structuring of Stressed Assets (S4A).

(c) & (d): Banks are not generally disclosing / putting any information relating to its constituents / customers / borrowers who have availed loans at notice / website of the banks. However, Reserve Bank of India (RBI) has set up a Central Repository of Information on Large Credit (CRILC) to collect, store and disseminate data about large credit accounts to lenders for keeping a track of the status of asset classification of a loan account across different banks.

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